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May 18, 2007

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

RE: Application Notice
Lower Cris I Zone, Reservoir D
STELLA FIELD
Jefferson & Plaquemines Parishes,
Louisiana

Dear Sir:

Application is hereby made on behalf of Sulphur River Exploration, Inc. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating the Lower Cris I Zone, Reservoir D, in the Stella Field, Jefferson & Plaquemines Parishes, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
4. To provide that any future wells drilled to the Lower Cris I Zone, Reservoir D, shall be located in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
6. To consider such other matters as may be pertinent.

The Lower Cris I Zone, Reservoir D, in the Stella Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 10,924' and 11,707' (electrical log measurements) in the Pan American Petroleum Corporation-Delta Development Company No. 1 Well, located in Section 6, Township 15 South, Range 24 East, Plaquemines Parish, Louisiana.

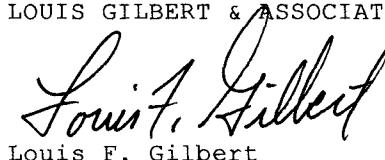
A pre-hearing conference was held on Thursday, May 10, 2007, at 10:30 a.m. at the Courtyard Marriott Metairie, 2 Galleria Boulevard, Metairie, Louisiana 70001, and a copy of the list of those who attended is attached. The applicant's proposal was presented by the undersigned. Following a brief question and answer period, Mr. David Sturlese representing Petrie et al presented a counter proposal which utilizes a different southern boundary resulting in a larger unit area. A resolution of differences could not be reached and opposition is likely at the hearing to be scheduled.

All pertinent data relating to the subject application is available for inspection at the Offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should contact the undersigned at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of Parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

Enclosed is a check in the amount of \$755.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,
LOUIS GILBERT & ASSOCIATES, INC.



Louis F. Gilbert

cc: Mr. Richard Hudson (w/enclosures)
Office of Conservation
P.O. Box 51285 OCS
Lafayette, Louisiana 70505

Mr. Frank Erwin (w/enclosures)

Interested Parties, Interested Owners

